

**ESCROW ADVISORY COMMITTEE MEETING**  
**December 10, 2013**

**Department of Business Oversight Represented By:**

Kathleen Partin, Special Administrator  
Richard Malme, Supervising Corporation Examiner  
Ann Davila, Escrow Licensing Specialist  
Colleen Monahan, Counsel (Via Telephone)  
Peggy Fairman, Counsel (Via Telephone from Sacramento)

**Committee Members Present:**

P J Garcia, Beach Pacific Escrow, Inc. –Past Chair Escrow Institute  
Juliana Tu, Viva Escrow! Inc.-Small Business  
Jeff Behm, Behm and Company, An Accountancy Corp.-CPA  
Steven Garcia, Knapp, Peterson & Clark - Attorney  
Diane Boudreau, California Business Escrow, Inc.-Other Business Ownership  
Paula Franks, Advantage One Escrow, Inc.-Chairperson Escrow Institute

**Committee Members Absent:**

Jennifer Woodard, Oak Escrow, Inc.-Vice Chair EAFC \*  
Michael Culver, Elance Escrow Corporation-Business Specialization  
Leslie Sapone, Traditional Escrow, Inc.-Medium Sized Company  
Bill Nelson, Express Escrow Company-Chairperson EAFC

\*EAFC – Escrow Agents' Fidelity Corporation

**1. Opening Remarks**

**2. Follow-up items from the previous meeting were discussed as follows:**

**Proposed Revisions to Section 1741.5 – Audit Instructions (J. Behm)**

Colleen is working on drafting language for regulations. Input is still needed from the accounting industry. A draft will be released for public comment. The revisions should be available by mid-2014.

**Lease Accounting Update (J. Behm)**

Jeff is still following the possible adoption of international accounting standards. Though international investors want the U.S. to adopt international accounting standards, the U.S. has not yet adopted these standards as there is opposition from various groups.

**3. Signing Professionals Workgroup – Vetting Notaries (PJ Garcia)**

PJ stated that she wanted to make the Department aware of this workgroup/process. The group primarily consists of lenders and title companies. They seem to be setting standards that take into account, among other things, traffic violations. She

stated that there are concerns that the banks believe they are being put in charge of regulating the escrow companies.

**4. DBO Newsletter – Escrow Edition (PJ Garcia)**

If there is information that the Department wants to share regarding the Escrow Law, it will be in the Department's monthly bulletin.

**5. Enforcement Action Update (K. Partin)**

Kathy distributed the handout showing the Department's latest administrative actions and licensing statistics. There are currently 672 licensees and a total of 939 locations. Fewer companies are expected to surrender this year, as compared to last year.

**7. Comments**

Paula asked if the Department considers or views more critically employees that transfer from companies that have been taken over. Kathy stated that if an action is taken against an employee of a problem escrow company, the accusation outlining the violations and any orders issued are posted on the DBO website.

The next meeting is tentatively scheduled for Tuesday, March 4, 2014.

The meeting adjourned at 11:17 a.m.